

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6388

BILL NUMBER: SB 111

NOTE PREPARED: Feb 20, 2012

BILL AMENDED: Feb 15, 2012

SUBJECT: Group Personal Excess and Umbrella Insurance.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR: Rep. Torr

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill provides for and specifies requirements for insurer issuance of group personal excess and umbrella liability insurance to group members. The bill requires the Interim Study Committee on Insurance to study the effect of the provision on the liability insurance market during the 2016 interim.

Effective Date: July 1, 2012.

Explanation of State Expenditures: This bill is expected to increase the workload of the Department of Insurance (DOI) to regulate group personal excess or umbrella liability insurance. The number of insurance companies who are expected to sell group personal excess or umbrella liability insurance in the state is not known but estimated to be small. It is expected that any regulation provided by the DOI can be implemented within the current level of resources and staffing.

(Revised) The bill also requires the Interim Study Committee on Insurance to study during the 2016 interim the effect of group personal excess and umbrella liability insurance on the liability insurance market in Indiana. This provision is expected to have no fiscal impact.

Explanation of State Revenues: This bill may result in the sale of additional umbrella or personal excess insurance policies in the state. To the extent this occurs, the state will receive additional revenue from taxes paid on insurance premiums. Revenue received from the insurance premium tax is distributed to the General Fund. Actual increases in state revenue from insurance premiums are indeterminable but expected to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bill Brumbach, 232-9559.